

1958210

SMB Hire Limited

Report and Financial Statements

31 December 2004

EY ERNST & YOUNG



SMB Hire Limited

Registered No: 1958210

Directors

D S Carr (Chairman)
Mrs B V Carr
N W Perry FCA
A J Barrett
Mrs S A Keast

Secretary

Mrs S A Keast

Auditors

Ernst & Young LLP
Broadwalk House
Southernhay West
Exeter
EX1 1LF

Bankers

Lloyds TSB Plc
1 Market Place
Helston
Cornwall
TR13 8SU

Solicitors

Foot Anstey
4-6 Barnfield Crescent
Exeter
EX1 1RF

Registered Office

85 Meneage Street
Helston
Cornwall
TR13 8RD

Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activity and review of the business

The company has not traded for the year under review.

Future developments

There are no plans for trading to commence in the foreseeable future.

Directors and their interests

The directors at 31 December 2004 were as follows:

D S Carr (Chairman)
Mrs B V Carr
N W Perry FCA
A J Barrett
Mrs S A Keast

The directors holding office at 31 December 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2004 (or date of appointment if later) or 31 December 2004.

D S Carr and Mrs B V Carr beneficially own 75% of the ordinary share capital of Helston Garages Group Limited, the ultimate holding company, which owns 100% of the ordinary share capital of SMB Hire Limited

Mrs S A Keast is a beneficiary of discretionary trusts (of which D S Carr and Mrs B V Carr are trustees) which own 25% of the ordinary share capital of Helston Garages Group Limited, the ultimate holding company, which owns 100% of the ordinary share capital of SMB Hire Limited.

Auditors

Ernst & Young LLP were appointed as auditors of the company during the year.

They have expressed their willingness to continue in office as auditors, and a resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

By order of the board



Mrs S A Keast
Secretary
Date

28-6-05

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of SMB Hire Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report
to the members of SMB Hire Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Exeter

20.6.2005

Profit and loss account

for the year ended 31 December 2004

	2004 £'000	2003 £'000
Turnover	-	-
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation	-	-
Profit retained for the financial year	-	-

Statement of total recognised gains and losses

for the year ended 31 December 2004

The company has no recognised gains or losses for the current and previous year.

Balance sheet

at 31 December 2004

	Notes	2004 £'000	2003 £'000
Creditors: amounts falling due within one year	2	57	57
Net current liabilities		<u>(57)</u>	<u>(57)</u>
Total assets less current liabilities		<u>(57)</u>	<u>(57)</u>
Capital and reserves			
Called up share capital	3	-	-
Profit and loss account	4	(57)	(57)
Shareholders' funds - equity	4	<u>(57)</u>	<u>(57)</u>


D S Carr
Director

28.6.05

Notes to the financial statements

at 31 December 2004

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed to group undertakings	57	57

3. Share capital

	2004 £	2003 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	2004 No.	2003 No.
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	1

4. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Profit and loss account £'000	Total share- holders' reserve £'000
At 1 January 2004 and at 31 December 2004	-	(57)	(57)

Notes to the financial statements

at 31 December 2004

5. Contingent liabilities

(i) Cross guarantees

Under the terms on unlimited cross guarantees given to Lloyds TSB Bank Plc, the company has contingent liabilities amounted to £7,063,000 (2003: £5,024,000) in connection with borrowing facilities granted to its holding company and fellow subsidiaries.

(ii) VAT

At 31 December 2004, the company was jointly and severally liable for the VAT liabilities of other group companies totalling £247,000 (2003: £723,000).

6. Related party disclosures

The company is exempted from disclosing transactions with other group companies.

7. Parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Group SMB Limited.

The ultimate holding company is Helston Garages Group Limited. Accounts for this company may be obtained from the Registrar of Companies, Cardiff.

The company is controlled by the directors D S Carr and Mrs B V Carr.